



# John E. Fetzer Memorial Trust

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The John E. Fetzer Memorial trustees were requested to provide a list of pros and cons, with respect to the question as to whether or not the John E. Fetzer Institute should request the John E. Fetzer Memorial Trust to extend its tenure beyond December 31, 2011. While the original term of the trust was set at twenty years, the John E. Fetzer Memorial Trustees are firmly convinced that John E. Fetzer, considering the benefits listed below, would want to extend the term of the Memorial Trust.

## PROS OF CONTINUING THE FETZER MEMORIAL TRUST

### Benefits of Preserving John E. Fetzer's Vision

1. Extending the trust is an acknowledgement of John E. Fetzer's legacy and importance of its continuity.
2. The Memorial Trust fosters the assimilation of like minded people to preserve and extend the founding vision and legacy. This role of giving voice to John's legacy and tradition will become especially significant in the Institute's future, and could be enhanced through incorporation into the Memorial Trust the experience and wisdom of Institute trustee emeriti.
3. John E. Fetzer's visionary mission is for 300 years. Working in collaboration with the Institute, the Memorial Trust has made substantial contributions. The implementation of the long-term vision of the founder would clearly benefit through the continuation of the trust beyond its current term of 2011.
4. John E. Fetzer's founding purpose for the Institute was spiritual, based upon his commitment and personal mission to the Creator. Having the Memorial Trust's significant focus on said spiritual philosophy will help to ensure the continuity of the vision.
5. The designation of trustees by appointment by John E. Fetzer in the creation of the Memorial Trust provides for a concentrated emphasis upon the philosophical, spiritual founding principles and provides for a method of "holding the Light".
6. John E. Fetzer drew on the wisdom of the founding fathers who crafted independent branches of governance, in order to both preserve the founding vision and provide for change.
7. During its first sixteen years, the trust and the Institute have formed a highly creative and complementary relationship. Through the extension of the trust, a new era of joint long term cooperation will be born around John E. Fetzer's vision.

8. The participation of the Memorial Trust as an entity, provides a valuable voice and asset to the Institute, especially in endeavors such as the John E. Fetzer Spiritual Legacy Committee and its continuing work.

## Benefits of Alternative Exploratory Programs

9. The Memorial Trust provides the flexibility to explore the deep mysteries of science and humanity concerning our universal creation with the most accredited and educated scientific minds that are not bound by the traditional entrapments of academia, but are willing to explore deeply, the next phases of discovery as to our human existence. The most dynamic example is presently the Fetzer Franklin Fund, which brings together some of the sharpest scientific minds in the world that can lead to significant discoveries. This connection between science and spirituality is one of the core visions of John E. Fetzer for the Institute.

## Financial Benefits of Extending the Trust

10. By John E. Fetzer creating the Memorial Trust, the endowment of the Institute from 1991 to 2011 will have been increased by \$159 million, over what it would have been, had the Memorial Trust not been created and the funds placed initially in the Institute.
11. Extending the Memorial Trust for an additional twenty years will provide an additional \$443 million to the endowment of the Institute by the end of said additional twenty years (assuming 9% return of both endowments). Therefore, the total additional monies to the John E. Fetzer endowment for the forty years from 1991 to 2031, would have been an additional \$602 million in excess of what it would have been, had the Memorial Trust not been created or extended.
12. The endowment will grow faster by continuing the Memorial Trust, which enhances the mission of the Institute.
13. The Institute has a statutory limitation on the percentage of program dollars (qualified distributions) it can expend on grants in any given year. The Memorial Trust has no such limitation and therefore provides the methodology to pay grants requested by the Institute. For example, the Memorial Trust paid a \$3 million grant to IONS.
14. Some program recipients (eg universities) require a charge of overhead on all contracts for service (the necessary mode of the Institute's operation). The Memorial Trust provides the option of making a grant to said program recipient, thereby alleviating the requirement of the recipient to charge overhead. For example the program with Jan Walleczek at Stanford was funded by the Trust which saved over \$990,000, because no overhead was paid.
15. The Memorial Trust pays a lower average excise tax than the Institute, and thereby significantly reduces taxes paid to the government. The trust has the flexibility to manage its excise tax rate through adjusting payout.

## CONS OF CONTINUING THE FETZER MEMORIAL TRUST

1. For technical considerations, John E. Fetzer originally set the term of the Trust at twenty years.
2. While the sole beneficiary of the John E. Memorial Trust is the John E. Fetzer Institute, the Memorial Trust is technically not a controlled entity as defined by the IRS.
3. There can be a perception of duplication of effort.
4. There can be a perception of the Trust functioning in some way, separate from that of the Institute, and not in accord with the current practice and contrary of the wellbeing of the Institute and vision of John E. Fetzer for the Institute.
5. The perception that a separate entity could potentially create conflict.